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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/750,617	12/20/2000	Noel Tenorio	020431.0750	6553

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EXAMINER
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HAMILTON, LALITA M

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 12/16/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/750,617

Applicant(s)

TENORIO, NOEL

Examiner

Lalita M Hamilton

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-70 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-70 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)               | Paper No(s)/Mail Date. ____.  |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date <u>12122004</u> .  | 6) <input type="checkbox"/> Other: ____.                                    |

**DETAILED ACTION**

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 18-32, 50-65, 68, and 70 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claims 18-32, 50-65, 68, and 70 are rejected under 35 U.S.C. 101, because the claimed invention is directed to a non-statutory subject matter. Specifically the method claims as presented do not claim a technological basis in the pre-amble and the body of the claim. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) - used only for content and reasoning since not precedential].

In order to over come the 101 rejection above, the following preamble is suggested:

-A computer implemented method for ---, or something similar. Also, in the body of the claim include structural / functional interrelationship which can only be computer implemented.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-4, 8-21, 25-37, 41-54, and 58-70 are rejected under 35 U.S.C. 102(e) as being anticipated by May (US 2002/0116317).

May discloses a method and corresponding computer-implemented system, means, and software for reverse auction of financial instruments comprising conducting an automatic negotiation, a database operable to store profiles for parties to the negotiation, each profile specifying values for one or more parameters being negotiated, these values reflecting a desirable outcome of the negotiation for the associated party, and a matching server operable to access an offer from a first party containing values for one or more of the parameters being negotiated, compute a distance between the values in the offer and the values in the profile of a second party, if the distance is acceptably small, cause the offer to be accepted by the second party to conclude the negotiation, and if the distance is not acceptably small, automatically modify one or

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more values in the offer such that the distances between the modified offer and the profiles of the first and second parties are acceptably small simultaneously and, in response, cause the modified offer to be accepted by both the first and second parties to conclude the automatic negotiation (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370 to p.30, 379); the values in the profile are selected from the group consisting of values reflecting true needs with respect to parameters being negotiated and values reflecting a desired outcome with respect to parameters being negotiated, the desired outcome being more favorable than the true needs (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370 to p.30, 379); the matching server generates the offer for the first party automatically according to the profile of the first party (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370 to p.30, 379); the matching server automatically accepts the offer on behalf of the second party if the distance is acceptably small (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370 to p.30, 379); the parameters are organized into one or more subsets, the distance between the offer values and the profile values is computed for each parameter subset, and the matching server is further operable to for each parameter subset, apply a weight to the distance to compute a weighted distance for the subset, compute an overall distance between the offer and the profile according to the weighted distances of the parameter subsets, if the overall distance is acceptably small, cause the offer to be accepted by the second party to conclude the negotiation, and if the overall distance is not acceptably small, automatically modify one or more values in the offer such that the overall distances between the modified offer and the profiles of the first and second parties are acceptably small simultaneously and, in response, cause the modified offer

to be accepted by the first and second parties to conclude the automatic negotiation (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379—may be done by system in determining the winning bid); the weighted distances are summed over all the parameter subsets to compute the overall distance (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the weight for each parameter subset is specified as part of a profile; the matching server is further operable to determine the weights for one or more parameter subsets based on one or more words, as opposed to numbers, within the profile (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the distance for a first parameter subset is computed as an absolute error between the associated parameter values for the offer and profile, the distance for a second parameter subset is computed as a mean-square error between the associated parameter values for the offer and profile, the weighted distances for the first and second parameter subsets are summed to compute the overall distance for the offer (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the distance for a parameter subset is computed to reflect a preference selected from the group consisting of exact matches between the parameter values for the offer and profile and, where no exact match is possible for a parameter, a minimum difference between the values for the offer and profile for that parameter, close matches between the parameter values for the offer and profile for all of the parameters simultaneously, an exact match not being required for any of the parameters, and an exception prohibiting exact matches between the parameter values for the offer and profile (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the negotiation is over parameters of one or more items

selected from the group consisting of: parts, components, products, or other tangible items, services, real property, and contracts or other legal instruments (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); a marketplace associated with the matching server (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); accessing profiles of parties to the negotiation, each profile specifying values for one or more parameters being negotiated, these values reflecting a desirable outcome of the negotiation for the associated party, accessing an offer from a first party that contains values for the parameters being negotiated, computing a distance between the values in the offer and the values in the profile of a second party, if the distance is acceptably small, causing the offer to be accepted by the second party to conclude the negotiation; and if the distance is not acceptably small, then automatically modifying one or more values in the offer such that the distances between the modified offer and the profiles of the first and second parties are acceptably small simultaneously and, in response, causing the modified offer to be accepted by both the first and second parties to conclude the automatic negotiation (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); values are selected from the group consisting of values reflecting true needs with respect to parameters being negotiated, and values reflecting a desired outcome with respect to parameters being negotiated, the desired outcome being more favorable than the true needs (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); generating the offer for the first party automatically according to the profile of the first party (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); and

automatically accepting the offer on behalf of the second party if the distance is acceptably small (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 5-7, 22-24, 38-40, and 55-57 are rejected under 35 U.S.C. 103(a) as being unpatentable over May in view of Li (US 2003/0004850).

May discloses the invention substantially as claimed; however, May does not disclose the distance computed using a formula where  $K$  is number of parameters being negotiated, offer  $k$  is the offer value for the  $k$ th parameter, profile  $k$  is the profile value for the  $k$ th parameter, the summation is over all  $k$  parameters, and  $n$  is the order of the distance measure, the value of  $n$  is specified as part of the  $n$  is specified as part of the profile, or matching server is further operable to determine the value of  $n$  based on one or more words, as opposed to numbers, within the profile. Li teaches an auction



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management method and corresponding computer-implemented system, means, and software comprising the distance computed using a formula where  $K$  is number of parameters being negotiated, offer  $k$  is the offer value for the  $k$ th parameter, profile  $k$  is the profile value for the  $k$ th parameter, the summation is over all  $k$  parameters, and  $n$  is the order of the distance measure (p.9, 144 to p.11, 186—system may compute using a variety of calculations); the value of  $n$  is specified as part of the  $n$  is specified as part of the profile (p.9, 144 to p.11, 186—system may compute using a variety of calculations); and a matching server is further operable to determine the value of  $n$  based on one or more words, as opposed to numbers, within the profile (p.9, 144 to p.11, 186—system may compute using a variety of calculations). It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate the distance computed using a formula where  $K$  is number of parameters being negotiated, offer  $k$  is the offer value for the  $k$ th parameter, profile  $k$  is the profile value for the  $k$ th parameter, the summation is over all  $k$  parameters, and  $n$  is the order of the distance measure, the value of  $n$  is specified as part of the  $n$  is specified as part of the profile, and matching server is further operable to determine the value of  $n$  based on one or more words, as opposed to numbers, within the profile, as taught by Li into the invention disclosed by May, to demonstrate that a variety of calculations may be performed by the auction management system.

***Provisional Application Listed on PTO-892 form***

If a copy of a provisional application listed on the bottom portion of the accompanying Notice of References Cited (PTO-892) form is not included with this

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Office action and the PTO-892 has been annotated to indicate that the copy was not readily available, it is because the copy could not be readily obtained when the Office action was mailed. Should applicant desire a copy of such a provisional application, applicant should promptly request the copy from the Office of Public Records (OPR) in accordance with 37 CFR 1.14(a)(1)(iv), paying the required fee under 37 CFR 1.19(b)(1). If a copy is ordered from OPR, the shortened statutory period for reply to this Office action will not be reset under MPEP § 710.06 unless applicant can demonstrate a substantial delay by the Office in fulfilling the order for the copy of the provisional application. Where the applicant has been notified on the PTO-892 that a copy of the provisional application is not readily available, the provision of MPEP § 707.05(a) that a copy of the cited reference will be automatically furnished without charge does not apply.


### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Lalita M Hamilton whose telephone number is (703) 306-5715. The examiner can normally be reached on Tuesday-Thursday (8:30-4:30).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



LMH